

## Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 COME-00 AID-05 CIAE-00 EB-08 FRB-03  
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04  
CEA-01 MMO-01 L-03 DHA-05 /087 R

DRAFTED BY NEA/RA:DTMORRISON:YW  
APPROVED BY NEA/RA:SEPALMER,JR  
NEA/ARN:DREUTHER  
COMMERCE:JHEARN

-----123142 310407Z /14

R 302157Z AUG 77  
FM SECSTATE WASHDC  
TO USINT BAGHDAD  
AMEMBASSY DAMASCUS

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DECLASSIFY UPON RECEIPT

E.O. 11652: N/A

TAGS: PFOR, ETRD, NEA, EA, ARA, EUR, XJ

SUBJECT: REQUEST FOR INFORMATION ABOUT BOYCOTTING

REF: A) DAMASCUS 05222; B) BAGHDAD 14440; C) STATE 250007

TEXT OF REF C (STATE 250007),DATED 7 OCT 76,AS FOLLOWS:

1. THE ANTI-BOYCOTT PROVISIONS (KNOWN AS THE RIBICOFF  
AMENDMENT) OF THE TAX REFORM ACT OF 1976, WHICH THE  
PRESIDENT SIGNED OCT. 4, DENY CERTAIN TAX BENEFITS  
(FOREIGN TAX CREDIT DISC AND DEFERRAL) TO TAXPAYERS WHICH  
"PARTICIPATE IN OR COOPERATE WITH" AN INTERNATIONAL  
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BOYCOTT IN CERTAIN WAYS. THE ACT REQUIRES THE SECRETARY  
OF THE TREASURY TO PUBLISH WITHIN THIRTY DAYS AFTER  
SIGNATURE OF THE ACT (I.E., BEFORE NOV. 3) A LIST OF  
COUNTRIES WHICH "REQUIRE OR MAY REQUIRE" SUCH PARTICIPA-  
TION WITH AN INTERNATIONAL BOYCOTT.

2. A TAXPAYER IS REQUIRED TO FILE WITH THE SECRETARY OF

THE TREASURY REPORTS WITH RESPECT TO, AMONG OTHER THINGS,  
(A) ITS OPERATIONS IN THE LISTED COUNTRIES (AND ANY OTHER  
IN WHICH THE TAXPAYER KNOWS OR HAS REASON TO KNOW THAT  
"PARTICIPATION IN OR COOPERATION WITH" AN INTERNATIONAL  
BOYCOTT IS REQUIRED AS A CONDITION OF DOING BUSINESS  
WITHIN SUCH COUNTRY OR WITH THE GOVERNMENT, A COUNTRY OR A  
NATIONAL OF SUCH COUNTRY);  
(B) ANY PARTICIPATION IN OR COOPERATION BY IT WITH AN  
INTERNATIONAL BOYCOTT; AND  
(C) REQUESTS WHICH IT HAS RECEIVED TO PARTICIPATE IN OR  
COOPERATE WITH A BOYCOTT.

3. UNDER THE ACT A TAXPAYER IS DEEMED TO HAVE PARTICI-  
PATED IN OR COOPERATED WITH AN INTERNATIONAL BOYCOTT IF,  
AS A CONDITION OF DOING BUSINESS DIRECTLY OR INDIRECTLY  
WITHIN A COUNTRY OR WITH THE GOVERNMENT, A COMPANY OR A  
NATIONAL OF A COUNTRY, IT AGREES (EITHER EXPLICITLY OR  
IMPLICITLY TO REFRAIN FROM:

(A) DOING BUSINESS WITHIN A BOYCOTTED COUNTRY OR WITH THE  
GOVERNMENT, COMPANIES OR NATIONALS OF THAT COUNTRY;

(B) DOING BUSINESS WITH A U.S. PERSON ENGAGED IN TRADE  
WITHIN A BOYCOTTED COUNTRY OR WITH THE GOVERNMENT,  
COMPANIES OR NATIONALS OF THAT COUNTRY;

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(C) DOING BUSINESS WITH ANY COMPANY WHOSE OWNERSHIP OR  
MANAGEMENT IS MADE UP, ALL OR IN PART, OF INDIVIDUALS  
OF A PARTICULAR NATIONALITY, RACE OR RELIGION, OR TO  
REMOVE (OR REFRAIN FROM SELECTING) CORPORATE DIRECTORS  
WHO ARE INDIVIDUALS OF A PARTICULAR NATIONALITY, RACE OR  
RELIGION;

(D) EMPLOYING INDIVIDUALS OF A PARTICULAR NATIONALITY,  
RACE OR RELIGION; AND

(E) SHIPPING OR INSURING PRODUCTS ON A CARRIER OWNED,  
LEASED, OR OPERATED BY A PERSON WHO DOES NOT PARTICIPATE  
IN OR COOPERATE WITH AN INTERNATIONAL BOYCOTT.

4. HOWEVER, THE LAW PERMITS A TAXPAYER TO:

(A) AGREE TO MEET THE REQUIREMENTS IMPOSED BY A FOREIGN  
COUNTRY WITH RESPECT TO AN INTERNATIONAL BOYCOTT, IF  
A U.S. LAW, REGULATION OR EXECUTIVE ORDER SANCTIONS  
PARTICIPATION IN OR COOPERATION WITH THAT INTERNATIONAL  
BOYCOTT;

(B) AGREE TO COMPLY WITH A PROHIBITION ON THE IMPORTATION INTO A BOYCOTTING COUNTRY OF GOODS PRODUCED IN WHOLE OR IN PART IN ANY BOYCOTTED COUNTRY;

(C) AGREE TO COMPLY WITH A PROHIBITION IMPOSED BY A COUNTRY ON THE EXPORTATION OF PRODUCTS OBTAINED IN THAT COUNTRY TO ANY BOYCOTTED COUNTRY.

5. WITHOUT ADDRESSING THE QUESTIONS OF INTERPRETATION POSED BY THIS ACT, IT IS NECESSARY TO BEGIN INITIAL STAFF WORK NOW SO THAT INFORMED DECISIONS CAN BE MADE ON THE COUNTRIES TO BE INCLUDED IN THE LIST. TO THIS END, WE NEED TO RECEIVE BY OCTOBER 15, DETAILED RESPONSES TO FOLLOWING QUESTIONS WITH RESPECT TO BOYCOTTS, INCLUDING LIMITED OFFICIAL USE

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BUT NOT LIMITED TO THE ARAB BOYCOTT OF ISRAEL:

(A) DOES YOUR HOST COUNTRY BY ITS LAWS, DECREES OR POLICIES, AS A CONDITION FOR DOING BUSINESS WITHIN YOUR COUNTRY OR WITH THE GOVERNMENT, A COMPANY OR A NATIONAL OF YOUR COUNTRY, REQUIRE FOREIGN BUSINESS CONCERNS AND THEIR DOMESTIC SUBSIDIARIES TO AGREE, EITHER EXPLICITLY OR IMPLICITLY TO REFRAIN FROM ANY OF THE CONDUCT LISTED IN 3(A) THROUGH 3(E) ABOVE?

(B) IF ANSWER TO QUESTION (A) IS POSITIVE, THEN FOLLOWING QUESTIONS SHOULD BE ANSWERED:

(1) TO WHICH COUNTRIES DO THE BOYCOTTS APPLY AND PROCEDURALLY HOW ARE THE BOYCOTTS IMPLEMENTED AND ENFORCED WITHIN YOUR COUNTRY (E.G., CONTRACT CLAUSES, LAWS OR REGULATIONS INCORPORATED BY REFERENCE IN CONTRACTS OR OTHER WRITTEN AGREEMENTS, INFORMAL UNDERSTANDINGS)?

(2) TO WHAT EXTENT DO THE BOYCOTTS FALL WITHIN THE SCOPE OF THE TYPES OF BOYCOTTS DESCRIBED IN 4(B) AND 4(C) ABOVE?

(3) HOW CONSISTENTLY ARE THE BOYCOTTS ENFORCED IN PRACTICE?

(4) DOES YOUR COUNTRY MAINTAIN A FORMAL OR INFORMAL LIST OF BLACKLISTED COUNTRIES, COMPANIES OR INDIVIDUALS? DOES IT ENFORCE ANY BLACKLIST?

(5) IS THE INTERNAL AUTHORITY FOR THE BOYCOTT REFLECTED IN A LAW, REGULATION, POLICY STATEMENT OR UNWRITTEN POLICY UNDERSTANDING OF YOUR COUNTRY OR A GROUP OF LIMITED OFFICIAL USE

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COUNTRIES TO WHICH YOUR COUNTRY BELONGS? (PLEASE SEND ENGLISH TRANSLATION OF ANY RELEVANT LAW, REGULATION OR POLICY STATEMENT.)

(C) IF YOUR HOST COUNTRY APPLIES A BOYCOTT TO ANOTHER COUNTRY, BUT YOUR ANSWER TO QUESTION 5(A) WAS NEGATIVE, PLEASE PROVIDE A BRIEF DESCRIPTION OF THE BOYCOTT REQUIREMENTS IMPOSED BY YOUR COUNTRY AND AN INDICATION OF WHY IT DOES NOT FALL WITHIN THE CATEGORY DESCRIBED IN THAT FIRST QUESTION.

6. REPORTS ARE NOT PRESENTLY NEEDED ON COUNTRIES WHICH REQUIRE SUCH PARTICIPATION IN OR COOPERATION WITH THE BOYCOTT OF RHODESIA, CUBA, VIETNAM, CAMBODIA OR NORTH KOREA, SINCE THOSE BOYCOTTS ARE EXEMPTED UNDER PARAGRAPH 4(A) ABOVE.

7. ANY ADDITIONAL INFORMATION THAT POST CAN SEND CONCERNING BOYCOTT PRACTICES OF YOUR COUNTRY AND THAT COULD FACILITATE COMPLETION OF THE LIST WOULD BE APPRECIATED.

END TEXT CHRISTOPHER

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## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**TAGS:** PFOR, ETRD, XF  
**To:** BAGHDAD DAMASCUS  
**Type:** TE  
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